

PERSONAL— but not confidential

Letter No. 43

THIS IS THE LAST LETTER OF THIS SERIES, but I want to say in closing that I hope everybody understands that the phrase "Personal, but Not Confidential," belongs to Henry L. Doherty & Co., and is for their exclusive use. I say this because there are evidences coming in from everywhere that many concerns are using it, which is not a square deal.

Writing this series of letters has been most interesting work for me; besides, it has taught me a great lesson.

If I had met Henry L. Doherty, November 13, 1896, when I first commenced to earn some real money, instead of meeting him November 13, 1920, for the first time, it would have given me personal contact with him for twenty-four years instead of four months and seventeen days, and I believe I would have enough money today to relieve me of the necessity of working night and day in an effort to make amends for the mistake of the past.

One cannot be in the company of Mr. Doherty without feeling keenly the tragedy of going through life without holding on to some of the money he earns. IT IS A REAL TRAGEDY; MAKE NO MISTAKE ABOUT IT.

Mr. Doherty began his life facing grim necessities, and so did I—but as he got along he put aside a little something all the time, while I did not have sense enough to keep ahead of the game.

Now, however, I am on my way to better things. I hope, for 4 months, 17 days, I have actually lived within my income. Isn't this an awful confession to make for a man who was 61 years old December 10, 1920? You see how rapidly I must move for the balance of my life if I am to accumulate a "nest-egg" for my family.

Frank W. Frueauff, the "Company" in the firm of Henry L. Doherty & Company, also began his life facing grim necessities, but he, too, laid aside some of the money he earned, so when Mr. Doherty and he formed a partnership they had the confidence of a great many people who willingly invested in the securities they issued to develop their enterprises.

A young man, starting his career, should remember that he will never have any difficulty in getting backing if it is known that he has some of his money and sticks to his work.

Henry L. Doherty & Company have never forfeited the confidence of the pioneer investors, who went along with them from the beginning of their career; nor have they forfeited the confidence of thousands of new investors that have bought their securities in recent years.

There is a big family of investors, numbering nearly 100,000, now holding the securities of Cities Service Company and its subsidiaries, for which Henry L. Doherty & Company are the fiscal agents.

I would like to be permitted to write, some day, the romance of Cities Service Company. Maybe I will have this privilege, if a new series of letters is started.

If a new series is started, I hope you will read them, as you have this series. I know that not every one has read all of the "Personal but Not Confidential" letters, and I have no doubt that there are a great many who have not read any of them, but, at the same time, I know a great many thousands have read at least some of them and perhaps other thousands have read all of them.

I want to take this occasion to thank all who have read any of the letters, and to remind them also that whenever they see it move them to do business with Henry L. Doherty & Company, of Wall Street, they may be assured that all transactions will be based on honor.

I also want to remind my readers that for the first time in the history of Wall Street, a successful institution, whose personnel is composed of the rank and file of honest, industrious, frugal American working men and women, has succeeded in eliminating from the minds of millions of people the thought that this great financial center exists only for the few.

Henry L. Doherty & Company have democratized Wall Street and have made it clear to all people who want to invest the money they have accumulated that there are safe ways of doing so if they take counsel of the leaders of many reliable institutions.

There is much in Wall Street that the small investor wants to avoid, but if he will make up his mind not to invest, except upon the advice of a house of moral and financial responsibility, he will have as good a chance to become a holder of safe and profitable securities as the richest man in the country.

I started this series of letters with absolute faith in the integrity and fairness of Henry L. Doherty & Company, and I close with that faith stronger than ever. I advise you to keep in touch with Henry L. Doherty & Company, of Wall Street, by letter or personal call, whenever you have any money that you want to invest in safe ways, and which will bring you steadily a good return on your investment.

Sincerely yours,

WILLIAM C. FREEMAN,

117 West 46th St., N. Y. City.

ROADS THROUGHOUT U. S. CUT EXPENSES

Economies of Operation Shown
Chiefly in Closing Shops
and Pruning Payrolls.

REVENUES NOT IMPROVED

Sixty-nine Lines Report Deficit
for February as Slashed
to \$2,355,045.

Economies of operation and cuts in expenses, which have extended from one end of the country to the other, exhibited most strikingly in the closing of shops and pruning payrolls to the very bone, have brought the first glimmer of brightness in railroad statistics in many months. Preliminary figures, made public yesterday by the Association of Railway Executives, indicate that while February revenues do not make a better showing than in the last year, economies as those of January the drastic elimination of employees where they could be spared has effected a saving in expenses which shows up powerfully.

The preliminary report is for sixty-nine representative railroads, thirty-nine in the Eastern, fifteen in the Southern and fifteen in the Western districts, representing 2,329 miles of track, or approximately a third of the mileage in the United States. The following table shows results for the month, compared with those of February, 1920:

	Feb. 1921.	Feb. 1920.
Gross revenue.....	\$10,011,062	\$10,840,000
Operating expenses.....	15,422,777	16,440,430
Net deficit.....	5,411,715	5,629,430

The total revenues, as represented by these roads, show a decrease of 4.4 per cent., while their operating expenses exhibit a decrease of 6.2 per cent. The favorable increase in the final result amounts to 47.8 per cent.

The figures for February, as indicated by the sixty-nine railroads, show a decided improvement compared with those of January, in which 109 roads, out of 162 reporting to the Interstate Commerce Commission, failed to earn their expenses and taxes in contrast to eighty-eight in December. The total deficit in January was \$1,167,500. Of the 109 roads that failed to make expenses and taxes, forty-five were in the Eastern, sixteen in the Southern and forty-eight in the Western districts.

As a result of the deficit, the carriers paid \$3,433,500, or approximately 192 per cent., to the amount which it was estimated they would earn under the increased rates fixed by the commission in accordance with the transportation act of 1920. Under that act, rates were to be established to yield to the carriers a return of 6 per cent. on their tentative valuation fixed for rate making purposes by the commission. Inasmuch as the roads had a deficit, it is manifestly impossible to compute any rate of return on their valuation for January.

Total operating revenues for January were \$48,834,000, or an increase of 5.1 per cent. from those for the same month in 1920, while total operating expenses were \$42,474,000, an increase of 3.5 per cent. from those of the same month in 1920. The net railway operating income, however, was a decrease of 120.7 per cent. under that of January, 1920, in making those tabulations, \$54,116,000 in back month pay, paid the roads in January 1920, but applicable in 1918 and 1919, is not included.

Of the total operating revenues for January, \$22,338,000 was derived from freight traffic, or an increase of only 4.5 per cent. compared with those of the preceding January, despite an increase in rates effective last August and approximating 22.1 per cent. Passenger revenues for all the carriers totaled \$10,247,000, or an increase of only 14.3 per cent., compared with those of the corresponding month of last year. An increase of 20 per cent. in passenger fares also went into effect last August. The small percentage of increase in freight and passenger revenues, however, is due to the fact that business during the month fell off, the net ton miles for freight decreasing 14.7 per cent. and passenger miles approximately 25 per cent. compared with those of January, 1920.

The net operating income of the carriers for five months beginning on September 1, when the quarterly period ended, totals \$23,167,000, which would be at the annual rate of return on their tentative valuation of 2.84 per cent. for the first four months their net operating income was at the annual rate of 3.40 per cent.

All of the 202 reporting roads fell far short of the amount that it was estimated they would earn under the increased rates. Those in the Eastern district failed by 115 per cent., in the Southern by 75 per cent., and in the Western by 100 per cent. The net operating income of the carriers in the Western district was only \$200.

Total operating revenues of the carriers in the Eastern district were \$22,338,000, an increase of 11.3 per cent., while expenses were \$208,350,000 a gain of 7.5 per cent. The net operating income of the Eastern district roads, however, showed a deficit of \$4,754,000, which was 51.7 per cent. less than that of the same month last year, when there also was a deficit.

BUILDERS REJECT REDUCTION.

May Shut Down All Construction in Mount Vernon Tomorrow.

Because union men declined yesterday to accept a proposed wage cut of \$1 a day announced by the Westchester County Builders Trades Employers Association, it was predicted that there would be a cessation of work to-morrow on more than \$2,000,000 in building operations in Westchester county. There was a lively meeting of labor representatives at the Mount Vernon Laboratorium yesterday afternoon and at the close of the session it was announced that the proposed \$1 reduction had been rejected.

The employers' association will make an appeal to the public to hold off building and other work until the labor trouble is adjusted. Union officials stated that independent builders and contractors were willing to pay \$9 a day to the workmen and that 45 per cent. of the men were employed by independents.

OPPOSES SUGAR INFLATION.

De Ford Says Price of Commodity Is Satisfactory.

Henry De Ford, president of the Caribbean Sugar Company, who arrived yesterday from Antilla by the Munson liner Munamar, said that any attempt to drive the price of sugar up would meet with disaster, as present conditions did not justify it and the present profits were satisfactory. "The period of inflation in Cuba," Mr. De Ford continued, "has passed and every one is trying to get into normalcy again. The cost of labor has gone down from \$15 to seven dollars to two dollars and fifty cents."

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MANN PUTS APARTMENT SHORTAGE HERE AT 125,000

Tenement House Commissioner Pleads in Albany for
Walker Bill Allowing Use of City's Sinking Fund
Money in Constructing Needed Buildings.

Special Dispatch to THE NEW YORK HERALD.
New York, Herald Bureau, Albany, March 30.

The housing laws enacted at the extraordinary session of the Legislature last September only scratched the surface in solving the housing shortage situation, New York city officials told the Joint Senate and Assembly Cities Committees here to-day. They came to urge favorable action on the three Walker bills, which are expected to provide relief through encouragement of construction to be applied for a period extending to December 31, 1925.

The Sinking Fund Commissioners are empowered to raise money for building through the issuance of building loan trust bonds in which they may invest the money of the city's sinking fund. To carry out the housing relief work required by the Sinking Fund Commissioners the Mayor is authorized to appoint a housing commissioner.

John P. O'Brien, Corporation Counsel, said the measures were considered carefully by experts and that only through their enactment can the New York housing shortage problem be solved.

"If you want to show the banks, the insurance companies and the title guarantee companies that they can't control this situation any longer you will give the city the power it asks through these bills," Mr. O'Brien said, who stated the bills would release \$50,000,000 for building in the first year.

Frank Mann, Tenement House Commissioner, told the legislators that the housing shortage is even more acute now than when the housing bills were enacted last fall. "At that time," Mr. Mann said, "there was a shortage of 100,000 apartments; now the shortage is 125,000, and statistics show that thousands of families are doubling up and trebling up in quarters meant for only one family."

Mayor Hylan and President La Guardia of the Board of Aldermen were present, but did not speak.

HOUSING SHORTAGE BLAMED ON LABOR

Continued from First Page.

understand that anything which limits the production of labor is a limitation of its own capital.

"Labor must cooperate in this thing, and I am glad to know that it is co-operating. It needs to stimulate production, to give a day's work for a day's pay, so that capital will be attracted to the conditions that we are endeavoring to make. It is profitable and when it costs so much. The man who labors with his hands forces himself to live in these three and four room houses at excessive rents and he loses out at one end and what he thinks he is getting at the other, and it bears on him more heavily than anybody else."

The capital situation has been made plain. There are so many tax free securities, municipal and State bonds, that the kind of capital that sought building loans has been driven out of that field.

"We have got to restore the operation of economic laws, and, in my judgment, the interference of the State prevents their operation more than it helps. Take the rent law, for example. They were necessary because of the profiteering landlord. It became necessary for the protection of the tenant, and you have not, any of you, the slightest doubt that they are a very great check on building, have you?"

"All of these things have tended to check building, and I do not believe that a thing like this is going to help. I have been racking my brains to see if we could do something constructively that would help. This bureau would not sell its securities if they were made certificates issued against bonds and not State bonds."

"Including is agreeable to me that is practical, and I would like to have some one devise some plan that would set economic laws at work again. I thought it might stimulate building to raise the rates of interest on mortgages so that field of investment could compete with other investments, because money is earning more than 8 per cent. If you are going to get money in the building industry you have got to compete for it on some way, and the kind of money that has gone into building has undoubtedly been diverted by our income tax laws."

"I haven't any doubt that raising the legal rate would attract capital to this

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CONDUCTED BY MR. AUGUSTUS W. CLARKE

U. S. TRAILS MAN IN WALL ST. TRAGEDY

Continued from First Page.

Charles J. Scully was in charge in the absence of the chief, Mr. Scully, as the head of what is known as the Federal "Red Squad," was one of the first detectives on the scene after the Wall Street disaster. Since the calamity he has been one of the most active agents of the many engaged in attempting to solve the mystery. It may fairly be said that those efforts never have been relaxed. But Mr. Scully, when questioned yesterday, refused to discuss the latest phase of the case in any manner in the absence of Mr. Flynn.

As illustrative of the violence and secrecy with which the affair still is enveloped, it was even denied in another official quarter that the suspect who figures in the police hunt is known by name. A reported source of information was a circular of a sort, containing a description of a man who is "wanted," but that the man's name was not even known, or was he designated in more aliases. As a matter of fact, the circular in question by one or suspect is specifically named in the description, and his name is one suggestive of Italian origin.

For reasons doubtless sufficient to the police and the agents of the Department of Justice the circular, which already is in the hands confidentially of police chiefs and Government officials in more than a score of cities and towns, has not been publicly posted in any of the Federal or other buildings in this city. It was suggested yesterday that the reason for this policy is the hope that if the driver of the bomb wagon can be arrested without too great a flourish of trumpets, the prospect will be far brighter for a successful police round-up of his confederates.

Despite the uniform reticence on the part of the law's representatives, it may be said that prospect of an arrest appeared last night more substantial than

answered:

"Don't misunderstand me. I think labor was tremendously efficient during the war and tremendously patriotic. In what structure I made I was referring to the conditions that were disclosed before the Lockwood committee and the tendency which every one knows has been going on and which has been thought by many to be good policy for labor, to limit production. What I said is that labor is destroying its own capital when it limits its production."

"Governor, wouldn't the proposed plan raising the legal rate to 8 per cent. on mortgages raise job with the mortgages now out?" some one asked.

"I am afraid so and that is the reason I have not recommended it," the Governor said. "I was afraid that in trying to do something that would be helpful it might raise job in another direction. I would not do so many things that I could not anticipate. I think it would invite plenty of capital, but it might do harm in many other ways."

The Governor said he was relying more on economic readjustment to help than on artificial stimulant and suggested that all parties interested put their heads together and try to produce something better than the proposed bill.

CALDER AIDS LA GUARDIA PLAN

After a conference yesterday with Senator Calder, F. H. La Guardia, President of the Board of Aldermen, announced that the Senator had submitted to the Interstate Commerce Commission the Aldermanic President's suggestion for preferential rates on building material as a means of encouraging construction of dwellings in New York. He said the Senator expressed hope for early investment with other early investments, because money is earning more than 8 per cent. If you are going to get money in the building industry you have got to compete for it on some way, and the kind of money that has gone into building has undoubtedly been diverted by our income tax laws."

"I haven't any doubt that raising the legal rate would attract capital to this

Elwell Murder Soon To Be Cleared, Is Report

THE shade of Joseph Bowne Elwell walked yesterday in the Criminal Courts Building when reports circulated that the mystery of the turfman's murder, June 11, 1921, was soon to be cleared up. It was said the Whitman Grand Jury, which is investigating alleged corruption in the city administration, had unearthed facts that would solve the crime.

In reply to questions Mr. Whitman said as far as he was concerned he had not gone into the Elwell case, and the District Attorney's office denied any knowledge of the matter. The rumor, however, persisted.

It has been at any previous moment since the disaster. Though little has been said of late in the public prints concerning the Wall Street horror, and the prevalent impression probably has been that it was destined to be catalogued with the unsolved puzzles of criminal chronology, the men charged with hunting down the criminals never have abated the persistency of their search.

The Committee of the Whole of the Board of Estimate and Apportionment to-morrow will recommend to the complete board the appointment of a special commission to consider the recent proceedings of the Grand Jury to Judge Mulqueen of the Court of General Sessions for a review of the laws regulating the transportation and use of explosives in the city and to seek further means looking to the solution of the Wall Street bomb explosion. One such measure is expected to be a substantial increase in the reward offered for information leading to the arrests and conviction of the perpetrators of the crime. That reward now stands at \$10,000. It has been urged that the city increase it to \$20,000.

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